



# THE INFLUENCE OF RELATIONSHIP MARKETING AND DIGITAL SERVICE QUALITY ON PARTICIPANT PROTECTION CONTRIBUTION PAYMENT INTENTIONS (CASE STUDY ON MSME'S BP JAMSOSTEK MEDAN UTARA)

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**Abstract:** BP Jamsostek Medan Utara as the organizing body for Employment Social Security for all levels of the workforce, including MSMEs. But unfortunately, there are still many MSME who are late in making contribution payments. The purpose of this study is to see the effect of Relationship Marketing and Digital Service Quality on the MSME's Contribution Payment Intentions. The research methodology used is descriptive quantitative with Multiple Regression Analysis approach to answer the research hypothesis. The population of this study were all MSME actors in the BP Jamsostek Medan Utara area with a total sample of 100 people. The results of the study found that partially, Relationship Marketing and Digital Service Quality affect on Contribution Payment Intentions as well as simultaneously the two variables simultaneously affect Contribution Payment Intentions.

**Key Words:** Relationship Marketing, Digital Service Quality, Payment Intention, BP Jamsostek Medan Utara.

## 1. INTRODUCTION:

Realizing a prosperous society is one of the main pillars of Human Resource Development and the main goal of the Republic of Indonesia. Various programs are carried out to realize this dream, where one of them is the National Social Security System which is a state program that aims to provide certainty of protection and social welfare for all people. The embodiment of this National Social Security System as stipulated in Article 5 Paragraph (1) and Article 52 of Law No. 40 of 2004 concerning the National Social Security System, established a Social Security Agency. Effective from January 1, 2014 established Social Security Agency for employment and Health Social Security Agency. The journey of BPJS Employment and BPJS Health continues to roll until now, and specifically BPJS Employment in order to make it easier for people to remember and recognize it, on February 01, 2020 changed its name to BP Jamsostek, this is because people already know Jamsostek for employment insurance compared to BPJS Employment, people generally know BPJS Identic with BPJS Health (Pahlevi, 2020). There is no change whatsoever with BP Jamsostek and the extension is also the same between BPJS employment and BP Jamsostek, namely the Employment Social Security Agency. BP Jamsostek as of July 1, 2015 held the Old Age Insurance program (JHT), work Accident Insurance, Death insurance and Pension Insurance. The fundamental difference between Jamsostek and BP Jamsostek is membership, where in accordance with the mandate of the law, BP Jamsostek membership includes all formal and informal workers, even foreign workers who stay for at least 6 (six) months. here are 4 (four) types of membership, namely:

A wage earner (PU) is any person who works by receiving a salary, wages, or other form of remuneration from an employer. The guarantee Program provided:

- Old-Age Guarantee
- Work Accident Insurance
- Death Guarantee
- Retirement Security

1. Non-wage workers (BPU) are workers who carry out economic activities or businesses independently to obtain income from their activities or businesses. The guarantee Program provided:

- a. Work Accident Insurance



- b. Death Guarantee
- c. Retirement Security

2. Services

Construction is a consulting service for construction work planning, construction work execution services and construction work supervision consulting services. The guarantee Program provided:

- a. Work Accident Insurance
  - b. Death Guarantee
3. Indonesian migrant worker is any Indonesian citizen who will, is, or has been doing wage work outside the territory of the Republic of Indonesia. The guarantee Program provided:
- a. Old-Age Guarantee
  - b. Work Accident Insurance
  - c. Death Guarantee

Although membership is mandatory and binding, in fact BP Jamsostek still has problems in terms of membership, especially membership from MSMEs. The main obstacle experienced by MSME participants is the administrative problem of BP Jamsostek and has an impact on late payment of dues. Late payment of dues is not only detrimental to MSME actors, but can also be a potential criminal offense. The source of contributions received by MSME actors comes from the employees they hire, with late payment of contributions resulting in the termination of service benefits from BP Jamsostek until the MSME actors pay their contributions. When employees experience work accidents or want to withdraw the Old Age Security balance (for those who have retired), they cannot make claims because MSME actors do not pay contributions. If this happens, then employees can sue MSME actors for not depositing contributions so that their services are disrupted by the threat of imprisonment for 8 (eight) years or a fine of at most 1 (one) billion rupiah . Although the threat is clear, there are still MSME actors who are late in paying membership fees for MSME actors. The Data in Table 1 shows that a high level of delay occurred in BP Jamsostek Medan Utara:

Data Table of late payment of contributions for MSME participants

Year	Target ITW	Realization		Late
		Timely Dues	Timely Dues Of The Current Month	
2018	85%	59,11%	52,51%	40,89%
2019	87%	76,71%	57,39%	23,29%
2020	87%	87,88%	70,04%	12,12%

Source: BP Jamsostek Medan Utara Internal Data

Based on the data in Table 1, What is meant by dues on time for the current month (ITWB) is the compliance of MSME actors in paying dues in accordance with the billing month, where the billing limit is the 10th of the following month. While timely contribution (ITW) is the compliance of MSME actors to pay contributions past the month on the bill but below the 10th. For example, the BP Jamsostek contribution bill in January has a payment deadline of February 10th. In this example, MSME actors who pay bills in January are called ITWB, MSME actors who pay bills in February but below the 10th, are called ITW, while MSME actors who pay bills above the 10th are called late. BP Jamsostek continues to encourage MSME players to pay contributions on the moon or ITWB, but due to frequent constraints on MSME players, many pay contributions past the billing month. BP Jamsostek prepares to implement ITWB, as in BPJS Health. However, this they do gradually.

The Data in Table 1 shows that throughout 2018, 2019 and 2020 BP Jamsostek always failed to reach 100% ITW. The goal of ITW is 100% compliance, while ITWB is at least 80%. In order to get the cause of the uneventful payment of participants ' dues, the author tries to explore with the Operational Manager of BP Jamsostek Medan Utara branch, where according to him the main cause is the lack of optimal marketing strategy in increasing awareness of MSME actors in paying dues on time. This is because they do not have a clear marketing strategy. Marketing strategy planning according to various studies shows that it is related to consumer decision making, this is as a study conducted by Febrian and Hapsari (2019) which states that the right marketing strategy is able to influence consumers in making purchase decisions, where in this study the decision to make payments on time is intended. The marketing strategy is the planning of the company by using its strength and ability to adjust the needs and requirements of the market (Ferrel and Hartline, 2011). One of the marketing strategies that many organizations/companies use is Relationship Marketing (RM). RM is an organizational strategy of instilling emotional value with participants. A strategy can not apply to all customers, organizations need to



strategize based on the inherent character of the customer. BP Jamsostek is a state-owned institution that runs the social security of labor protection for all workers in Indonesia. Although membership is mandatory, BP Jamsostek does not necessarily make a forced approach to participants. BP Jamsostek made a persuasive approach to their customers, in this case the entire workforce, both Indonesian and foreign citizens. Recognizing as a public company, BP Jamsostek continues to be committed to providing the best service to all workers in Indonesia. Not only that, through the company's mission, BP Jamsostek is committed to protecting and prospering all workers and their families; improving workers' productivity and competitiveness.

However, as previously described, BP Jamsostek, especially the Medan Utara Branch, experienced difficulties in implementing the obligations of MSME actors to pay dues on time. Actually, BP Jamsostek could have taken a coercive approach to PK/BU, but this is the final choice taken. BP Jamsostek continues to take a persuasive approach, this is by opening up information as widely as possible through Digital services or officers in charge of PK/BU. This is intended to facilitate communication with MSME actors.

As one of the implementing branches in North Sumatra province, BP Jamsostek Medan Utara in particular has also implemented various approaches to MSME actors to encourage them to pay dues on time. In order to obtain in-depth information, the author conducted interviews and observations with the leaders of BP Jamsostek Medan Utara and found various approaches taken by BP Jamsostek Medan Utara to boost PK / BU to pay dues on time, among others:

1. To socialize to MSME actors in order to prevent late payment of dues. Socialization is carried out either through a direct approach through a persuasive communication or indirect approaches such as Social Media or email notifications.
2. Imposing fines on MSME actors as an anticipatory step so that in the future MSME actors are not late again in paying dues.
3. Send a letter of reprimand to MSME actors who are late in paying dues.
4. When the persuasive approach has not been effective in making MSME actors pay dues, BP Jamsostek Medan Utara has only taken coercive measures, including: going to MSME actors to clarify the time of payment, closing benefits, summoning through the prosecutor's Office to recommend revoking business licenses.

While the main reasons for MSME actors late in paying dues, the authors tried to conduct interviews and pre-survey with 30 MSME actors in order to obtain information and obtained reasons for late paying dues as in Table 2 below:

Reasons	Number Of Respondents	Percent
Not yet available MSME cashflow	15 people	50,00%
Complicated payment methods	09 people	30,00%
Do not know the payment procedure	04 people	13,33%
Other reasons	02 people	6,67%
Total	30 people	100%

Source: Pre-Study Data Processing, 2021

The Data in Table 2 shows that in addition to the main reason that MSME actors do not pay on time due to the unavailability of cashflow, another reason is because of complicated contribution payment methods. The reason for payment is actually not a problem, if MSME actors already have a good financial system, where payments can be made through transfer methods. However, most MSMEs still rely on the circulation of money with the cash system, then payment through the transfer method is still not possible. MSMEs must go to the BP Jamsostek office to pay their dues. Another reason is because of the technology gap (gaptek), where many MSME actors have difficulty adapting to technology and still use manual systems. If you trace the study of technology acceptance theory or Theory Acceptance Model developed by Davis (1980), the ease of use of technology (perceived ease of use) is one of the drivers of humans using and adapting technology in their activities. The management of BP Jamsostek Medan Utara admitted that the pattern of approach to customers is general, there is no difference in treatment between PU, BPU or PK/BU participants. Marketing strategies are not formulated based on the character of the participants. Though the character of the participants is different, PK/BU comes from individual employer companies, small companies (MSMEs) and large companies. Unfortunately, BP Jamsostek Medan Utara did not map or categorize PK/BU based on size or based on other characters. All marketing strategy approaches are equally aimed at the entire PK/BU.

## 2. LITERATURE REVIEW:



## Marketing

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offers that have value to customers, clients, partners, and society at large. This definition is good enough because it: 1) focuses on the more strategic aspects of marketing, which positions marketing as a core contributor to the overall success of the Company; 2) recognizes marketing as an activity, a set of institutions, and a process – that is, marketing is not just a "department" within an organization; 3) shifting the main focus area of marketing to value – creating, communicating, delivering, and exchanging value offerings to various stakeholders (Marshall and Johnston, 2015).

## Relationship Marketing

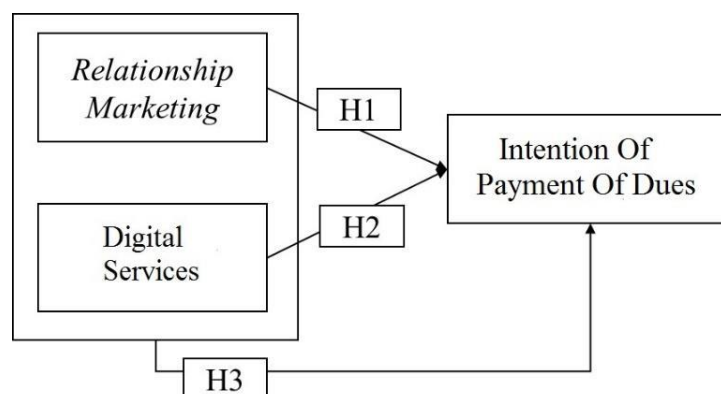
Relationship marketing is about attracting, retaining, and enhancing customer relationships. Service and sales to existing customers are seen as equally important as acquiring new customers in long-term marketing success. Good service is needed to maintain customer relationships. Good sales are needed to improve that relationship. The old marketing mindset is that attracting new customers is the first step in the marketing process. Cementing that relationship, transforming indifferent customers into loyal customers, serving customers as clients is also marketing (Mea and Laga, 2020).

## Digital Services

Digital Service (electric service) is an electronic-based service used to facilitate shopping, purchasing and delivery of products and services effectively and efficiently (Parasuraman, 2005). In general, E-Service quality shows the extent to which the organization's ability to meet the needs of its customers by using internet facilities, where the website is one of them. Parasuraman, et al (2005) argue that the emergence of Digital services as a strategic issue is now driven by the notion that Digital services are a determinant of competitive advantage and a factor in a company's long-term success.

## Intention To Behave

In this study look at the wedge between the theory of TAM and TPB is on the "intention " to behave. According to TPB theory, intention is the main factor for individuals to perform certain behaviors. Intention is assumed to be the motivation that influences behavior; intention is an indication of how hard people are willing to try, how much effort they plan to put into the behavior. As a general rule, the stronger the intention to engage in a behavior, the more likely people are to do so (Ajzen, 1991).



**Figure 1. Conceptual Framework**

## Hypothesis

Based on background research and the relationship between variables, the research hypothesis :

- Relationship marketing effect on the intention of payment of dues in BP Jamsostek Medan Utara.
- The quality of Digital Services affects the intention to pay contributions of MSME actors at BP Jamsostek Medan Utara.
- Relationship Marketing and Digital services simultaneously affect the intention of payment of dues MSME actors in BP Jamsostek Medan Utara.



### 3. RESEARCH METHODS:

This type of research is associative research that is research that aims to determine the relationship between two or more variables (Sugiyono, 2017). Variables associated in this study are relationship Marketing variables (X1) and Digital Services (X2) on the intention of payment of dues (Y) with MSME class as a moderation variable (Z). The nature of research is explanatory research. Sugiyono (2017) states that, explanatory research is research that intends to explain the position of the variables studied and the relationship between one variable and another. The sampling location in this study was conducted at BP Jamsostek Medan Utara.

Population is defined as a generalizing region consisting of objects or subjects that have certain qualities and characteristics set by the researcher to be studied and then drawn conclusions. (Sugiyono, 2017). The population in this study were all MSME actors at BP Jamsostek Medan Utara. The data on MSME participants in 2021 is 1,126 MSMEs. The sample is the part or number and characteristics owned by the population. In this study, the authors used a simple random sampling technique in decision making, where MSME actors who happened to be found at the time of the study could be a research sample, so that all MSME actors had the same opportunity to become Research Respondents. So that the number of samples in this study amounted to 100 respondents SMEs. The Data collection methods used are: 1. Interview; interview is a data collection technique by extracting information directly to the object of research through a series of questions (Sugiyono, 2017). Interviews were conducted both in the initial data collection of the study with the management of BP Jamsostek, and in order to explore the results of the study as obtained through the research questionnaire. 2. Questionnaire; data collection techniques to be performed in this study is to distribute questionnaires. The questionnaire will be disseminated via google form via a link that will be disseminated. Questionnaire is a data collection technique that is collected by giving written questions to respondents to answer. The questionnaire contains a Likert scale that is used as a measuring tool. Types and sources of data in the study are as follows: 1. Primary Data is data obtained by researchers directly from the source of the object to be examined, namely from the results of distributing questionnaires to respondents and from the results of short interviews with BP Jamsostek dues payments. 2. Secondary Data is a source of research data obtained indirectly. In this study the secondary data used is the data of MSME participants BP Jamsostek Medan Utara.

### 4. RESULT:

#### Hypothesis Testing

Hypothesis testing in this study looked at the effect of simultaneous and partial. Simultaneous testing through the F test while partially conducted through the t test.

#### Regression Equation

In order to see the regression equation, it can be referred to as in Table 3 below:

Table 3 Regression Equation

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
1 (Constant)	-12.879	.918	
Relationship Marketing	.450	.057	.405
Quality Of Digital Services	.494	.038	.670

Based on the data in Table 3, the following equations are obtained:

- Constant (a) = (12.879), this states that if there is no increase in the score of Relationship Marketing factor (X1) and Digital Services (X2), then the score of the intention to pay dues (Y) is equal to (12.879) units.
- Value b1 = 0.450, it states that if the value of the variable Relationship Marketing (X1) increased by 1 unit, while the value of the variable quality of Digital Services (X2) there is no increase, then the variable intention payment of dues (Y) will increase by 0.450 units.
- Value b2 = 0.494, it states that if the value of the variable quality of Digital Services (X2) increased by 1 unit, while the value of the variable Relationship Marketing (X1) there is no increase, then the variable fee payment intentions (Y) will increase by 0.494 units.



If inserted into the equation, the regression equation will be obtained as follows:  
 $Y = (12.879) + 0.450 X_1 + 0.494 X_2$

**Partial Test**

Partial test to see the effect of each variable (Relationship Marketing and Digital Services) on the intention of payment dues, with the provisions

1. If the test result is > t<sub>table</sub>, then H<sub>1</sub> is accepted.
2. If the test result is < t<sub>table</sub>, then H<sub>1</sub> is rejected.

The results as in Table 4 the following:

Table 4 Partial Test Results

Model	Standardized Coefficients		t	Sig.
	Beta			
1 (Constant)			-6.714	.000
Relationship Marketing	.405		7.901	.000
Quality Of Digital Services	.670		13.069	.000

Based on the data in Table 4 above can be concluded:

- The value of t count for Relationship Marketing (X<sub>1</sub>) is 7.901 > t<sub>table</sub> (df<sub>96</sub>, sig.=0.05) is 1.986, this shows H<sub>1</sub> received, in other words Relationship Marketing positively and significantly affect the intention of payment of dues in BP Jamsostek Medan Utara.
- The calculated t value for the Digital Service (X<sub>2</sub>) is 13.069 > t<sub>table</sub> (df<sub>96</sub>, sig.=0.05) is 1.986, this shows H<sub>2</sub> received, in other words the quality of Digital Services positively and signfikan effect on the intention of payment of dues in BP Jamsostek Medan Utara.

**Simultaneous Test:**

Simultaneous test to see the overall role of Relationship Marketing variables and the quality of Digital Services affect the intention of paying dues to MSME actors at BP Jamsostek Medan Utara. In order to see the simultaneous test through F test with hypothesis acceptance criteria:

1. If the test results F<sub>hitung</sub> > F<sub>table</sub>, then H<sub>1</sub> is accepted
2. If the test results F<sub>hitung</sub> < F<sub>table</sub>, then H<sub>1</sub> ditolal.

The F test results can be seen as in Table 5 as follows:

Table 5 F-Test Results

ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1980.816	2	990.408	13.334	.000 <sup>b</sup>
	Residual	563.923	93	6.064		
	Total	2544.740	95			

a. Dependent Variable: Intention Of Payment Of Dues

b. Predictors: (Constant), Relationship Marketing, Quality Of Digital Services

Based on the data in Table 5 above, the:

- The F count test result is 13.334
- Results F table (df<sub>1</sub>=2, df<sub>2</sub>=93, sig.=0,05) = 2,472
- F count 13.334 > F table 2.472



- It can be concluded that H3 is accepted in other words, there is a positive and significant influence between Relationship Marketing and the quality of Digital Services on the intention to pay dues at BP Jamsostek Medan Utara.

**Determination Test:**

The determination test was conducted to see how much the contribution of Relationship Marketing variables (X1) and Digital Service Quality (X2) affects the intention of paying dues in this study which can be seen in Table 6 below:

Table 6 Determination Test

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.882 <sup>a</sup>	.778	.774	2.46246	1.623

a. Predictors: (Constant), Relationship Marketing, Quality Of Digital Services

b. Dependent Variable:

Source: Research Data Processing, 2020

Based on the data in Table 6 above, it is seen the amount of determination test of 0.774 or 77.4% this indicates that the contribution of Relationship Marketing (X1) and the quality of Digital Services (X2) in this study amounted to 77.4%, while the remaining 21.6% is influenced by other factors that are not included in this study.

**5. DISCUSSION:**

**The Effect Of Relationship Marketing On Dues Payment Intentions**

The results of this study partially indicate that Relationship Marketing has a positive and significant effect on the intention of payment of dues in BP Jamsostek Medan Utara. These results are in line with what was found by Kartika, et al (2019), where they found that building an emotional connection to consumers through Relationship Marketing can encourage consumer behavioral intentions in making purchase decisions.

BP Jamsostek Medan Utara management realizes that building positive communication with MSME participants to pay dues on time. Although the payment of this contribution is mandatory, the sanksi applied is still administrative, such as restrictions on services from the state, this does not have a direct impact on MSMEs. Realizing this, BP Jamsostek Medan Utara in building emotional bonds with MSME actors is by taking a personal approach, either in the form of consultations, questions and answers directly by visiting MSME actors, as well as working with certain parties in providing socialization on the importance of participating in BP Jamsostek, which can protect them from work accidents and also preparation in their old age.

**Effect Of Service Quality On The Intention Of Payment Of Dues**

The results also showed that the quality of Digital Services has a positive and significant effect on the intention to pay the contribution of MSME players in BP Jamsostek Medan Utara. These results are in line with research conducted by Ardani (2022), where the research found that digital services help consumers to get information about products faster, practical and updated. Digital services can also help solve consumer problems online.

BP Jamsostek is currently developing digital services through online platforms and mobile applications. BP Jamsostek directs all participants to use the online platform in various ways, ranging from payments, features, product descriptions, JHT balances, and so on. Digital services are basically intended to make it easier for participants to solve the problems they face, including online payments. Participants do not need to visit the nearest BP Jamsostek office to pay dues, participants can pay it in various ways, such as through applications, online shopping and even through retailers such as indomaret or alfamidi, this is to facilitate participants in paying dues, where the ease of payment encourages participants to avoid fines or cessation of service from BP Jamsostek.

**Effect Of Relationship Marketing And Service Quality On Dues Payment Intentions**

The results showed that Relationship Marketing and service quality against the intention of payment of dues. Fostering emotional relationships with participants and also simultaneously improving the quality of Service carried out simultaneously has a positive impact on BP Jamsostek Medan Utara in terms of increasing the intention of timely



payment of dues. The company has taken several steps to increase the intention to pay dues in terms of relationship marketing and service quality variables, including: 1) officers communicate for arrears notification through electronic communication tools (WA, cellular phone, sms, email), 2) mengundang MSMEs in events that are not persuasive suave such as activities in hotels or office calls without having to go through a call from the relevant office (prosecutor's office).

**Managerial Implications**

The results showed that both variables proved to affect the intention of payment of contributions to SMEs. As for getting which variables have the greatest influence can be seen from the magnitude of the correlation as in Table 3 below, where the greater the correlation coefficient close to 0.99 the greater the influence given.

Table 7 Correlation Coefficient Quantities

		Dues Payment Intentions	Relationship Marketing	Digital Services
Pearson Correlation	Digital Services	1.000	.609	.794
	Relationship Marketing	.609	1.000	.305
	Dues Payment Intentions	.794	.305	1.000
Sig. (1-tailed)	Digital Services	.	.000	.000
	Relationship Marketing	.000	.	.001
	Dues Payment Intentions	.000	.001	.
N	Digital Services	100	100	100
	Relationship Marketing	100	100	100
	Dues Payment Intentions	100	100	100

Referring to Table 7 can be seen that the correlation of Relationship Marketing to the intention of payment of dues is equal to 0.609 while the correlation of Digital service quality to the intention of payment of dues is equal to 0.794. This shows that the quality of Digital Services has a higher impact than Relationship Marketing, This is a strategic suggestion for BP Jamsostek Medan Utara management to focus more on emphasizing the quality of Digital services compared to Relationship Marketing. The development of technology is something that is difficult to avoid by anyone. Everyone is required to be technologically literate, because almost all fields are related to the use of technology and this can be accessed through their mobile phones.

This is also in line with the responses of respondents that can be seen from their statements through the Digital Service questionnaire on no. 8 who have the highest average score compared to other AITEM statement, namely:

08. Participants are easy to contact BP Jamsostek through complaints services both from mobile phones and emails.

The statement in the questionnaire above shows that participants feel the ease of digital services through their mobile phones. The rapid pace of mobile phone technology is currently helping MSME actors in the payment of dues. Payment via mobile phone can be done through the M-banking application, post pay, tokopedia, shopee, blibli, and so on. This greatly helps them in the payment of dues. BP Jamsostek can improve the quality of payments via mobile phones, among others, by expanding cooperation with merchants, even BP Jamsostek can make Sipp Mobile applications so that they can be accessed via mobile phones.

BP Jamsostek is currently starting to reduce their services offline with Digital services, some supporting applications for Digital Services include SIPP Online, where through SIPP online MSME players can update in terms of participation, the apologies they receive and also see the amount of bills. In addition, BP Jamsostek also developed a PRS (Payment Reminder System) system that serves to remind participants, in this case MSMEs, so that they know when to pay contributions on time, so they avoid fines or the cessation of Social Security Services Employment. Through Digital services, it is not limited to distance and time, in the sense that MSME participants can anytime ask or get information from BP Jamsostek and also this can be done anywhere without having to come to the location, in contrast to offline services that are limited in terms of distance and time, where the distance is sometimes far for some MSME actors and also their time is limited to working operational hours.





Next is the variable Relationship Marketing which also affects the intention of payment of dues on time. Relationship Marketing is BP Jamsostek's persuasive approach to MSME actors in building long-term relationships. It really depends on the competence of employees in the field in building good relationships. To support this, BP Jamsostek management can establish employee communication competencies so that they can take a persuasive approach with MSME actors.

## 6. CONCLUSIONS:

Based on the results of research and discussion, it can be concluded that:

- Differences in exchange rates between domestic workers and expatriate workers.
- This difference can be a logical consideration to see whether the compensation policy given to expatriate workers is too large or not.
- Less optimal role of government
- The government is still not optimal in handling various conflicts that occur in the world of labor. Both in the formulation of policies to be implemented, implementation, supervision to the act of sanctioning those who break them.
- Lifestyle and cultural differences between expatriate workers and domestic workers.
- This influence occurs because of adjustments to the company's desires for its workers. There are also several other factors which are not included in some comparison points, but which are very influential in the comparison of compensation policies between expatriate workers and domestic workers. these factors include:
  - a) Company needs for workers
  - b) Sacrifices made by expatriate workers  
For most workers, leaving the family is something that is very difficult to do so it can be called "a big sacrifice to be paid handsomely".
  - c) The company's prestige for workers

## 7. RECOMMENDATIONS:

Here are some suggestions that can be made from the results of research:

- For the Government: Optimization of government regulations, starting from the determination of policies, implementation, supervision to the sanctions for those who violate and provide education about the method or method of determining compensation policies for domestic workers
- For Workers: Increased knowledge for domestic workers.
- For Companies: Changing the standard setting of compensation policies given to domestic workers, namely: not referring to MSEs or UMP but based on performance. So that competition between expatriate workers and domestic workers is healthier and more productive.
- For Researchers: Can carry out more in-depth research to research about the treatment of multinational companies or the comparison of compensation policies to Indonesian workers as expatriates in other countries.

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